



UNITED STATES
CIVILIAN BOARD OF CONTRACT APPEALS

February 2, 2023

CBCA 7540-RELO

In the Matter of CARRIE G.

Carrie G., Claimant.

Jesse C. Lee, Assistant Center Counsel, Humphreys Engineer Center Support Activity, United States Army Corps of Engineers, Alexandria, VA, appearing for Department of the Army.

VERGILIO, Board Judge.

The agency paid taxes regarding claimant's relocation. The claimant is obligated to reimburse the Government for particular taxes under applicable statute, as detailed in regulation and case law.

The claimant changed permanent duty stations within the continental United States, with a report date of May 10, 2022. The agency paid for various costs associated with the relocation (shipment of household goods, storage-in-transit, and non-temporary storage charges), including taxes (federal insurance contributions act (FICA), Medicare, and federal income tax withholding (FITW)) for which the claimant is liable under statute, as detailed in regulation and addressed in case law. *Joshua H.*, CBCA 6931-RELO, 21-1 BCA ¶ 37,786 (for shipment and storage in transit, claimant had to reimburse Government for amounts associated with FICA, Medicare, and FITW); *Michael A. Metje*, CBCA 6699-RELO, 20-1 BCA ¶ 37,598 (claimant had to reimburse Government for Medicare and FICA portions of moving expenses). The Government no longer treats these relocation costs as non-taxable. *Id.*

The claimant does not dispute the calculations of the relocation expenses that represent taxable events or the tax amount. Even if the claimant was unaware of the potential liability before accepting the change in duty stations or beginning the relocation, the result

is not altered. The claimant must reimburse the Government. However, as the Board has noted, such a determination does not prohibit an employee from making appropriate filings to obtain some relief through the relocation income tax allowance (RITA) procedures. *Holly W.*, CBCA 7030-RELO, 21-1 BCA ¶ 37,814.

Joseph A. Vergilio
JOSEPH A. VERGILIO
Board Judge